

1 HOUSE BILL NO. 16

2 INTRODUCED BY PAVLOVICH

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LICENSURE OF A PERSON SELLING SPORTS TAB
5 GAMES TO LICENSED OPERATORS; AND AMENDING SECTIONS 23-5-112, 23-5-502, AND 23-5-503,
6 MCA."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 **Section 1.** Section 23-5-112, MCA, is amended to read:

11 **"23-5-112. Definitions.** Unless the context requires otherwise, the following definitions apply to
12 parts 1 through 8 of this chapter:

13 (1) "Applicant" means a person who has applied for a license or permit issued by the department
14 pursuant to parts 1 through 8 of this chapter.

15 (2) "Application" means a written request for a license or permit issued by the department. The
16 department shall adopt rules describing the forms and information required for issuance of a license.

17 (3) "Authorized equipment" means, with respect to live keno or bingo, equipment that may be
18 inspected by the department and that randomly selects the numbers.

19 (4) "Bingo" means a gambling activity played for prizes with a card bearing a printed design of 5
20 columns of 5 squares each, 25 squares in all. The letters B-I-N-G-O must appear above the design, with
21 each letter above one of the columns. More than 75 numbers may not be used. One number must appear
22 in each square, except for the center square, which may be considered a free play. Numbers are randomly
23 drawn using authorized equipment until the game is won by the person or persons who first cover one or
24 more previously designated arrangements of numbers on the bingo card.

25 (5) "Bingo caller" means a person 18 years of age or older who, using authorized equipment,
26 announces the order of the numbers drawn in live bingo.

27 (6) "Card game table" or "table" means a live card game table:

28 (a) authorized by permit and made available to the public on the premises of a licensed gambling
29 operator; or

30 (b) operated by a senior citizen center.

1 (7) "Card game tournament" means a gambling activity for which a permit has been issued
2 involving participants who pay valuable consideration for the opportunity to compete against each other
3 in a series of live card games conducted over a designated period of time.

4 (8) "Dealer" means a person with a dealer's license issued under part 3 of this chapter.

5 (9) "Department" means the department of justice.

6 (10) "Distributor" means a person who:

7 (a) purchases or obtains from a licensed manufacturer, distributor, or route operator equipment of
8 any kind for use in gambling activities; and

9 (b) sells the equipment to a licensed distributor, route operator, or operator.

10 (11) "Gambling" or "gambling activity" means risking money, credit, deposit, check, property, or
11 any other thing of value for a gain that is contingent in whole or in part upon lot, chance, or the operation
12 of a gambling device or gambling enterprise. The term does not mean conducting or participating in a
13 promotional game of chance and does not include amusement games regulated by Title 23, chapter 6, part
14 1.

15 (12) "Gambling device" means a mechanical, electromechanical, or electronic device, machine, slot
16 machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling
17 activity.

18 (13) "Gambling enterprise" means an activity, scheme, or agreement or an attempted activity,
19 scheme, or agreement to provide gambling or a gambling device to the public.

20 (14) "Gift enterprise" means a gambling activity in which persons have qualified to obtain property
21 to be awarded by purchasing or agreeing to purchase goods or services. The term does not mean:

22 (a) a cash or merchandise attendance prize or premium that county fair commissioners of
23 agricultural fairs and rodeo associations may give away at public drawings at fairs and rodeos;

24 (b) a promotional game of chance; or

25 (c) an amusement game regulated under chapter 6 of this title.

26 (15) "Gross proceeds" means gross revenue received less prizes paid out.

27 (16) "Illegal gambling device" means a gambling device not specifically authorized by statute or by
28 the rules of the department. The term includes:

29 (a) a ticket or card, by whatever name known, containing concealed numbers or symbols that may
30 match numbers or symbols designated in advance as prize winners, including a pull tab, punchboard, push

1 card, tip board, pickle ticket, break-open, or jar game, except for one used under chapter 7 of this title or
2 under part 5 of this chapter or in a promotional game of chance approved by the department; and

3 (b) an apparatus, implement, or device, by whatever name known, specifically designed to be used
4 in conducting an illegal gambling enterprise, including a faro box, faro layout, roulette wheel, roulette table,
5 or craps table or a slot machine except as provided in 23-5-153.

6 (17) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically
7 authorized by a statute or a rule of the department. The term includes:

8 (a) a card game, by whatever name known, involving any bank or fund from which a participant
9 may win money or other consideration and that receives money or other consideration lost by the
10 participant and includes the card games of blackjack, twenty-one, jacks or better, baccarat, or chemin de
11 fer;

12 (b) a dice game, by whatever name known, in which a participant wagers on the outcome of the
13 roll of one or more dice, including craps, hazard, or chuck-a-luck, but not including activities authorized by
14 23-5-160; and

15 (c) sports betting, by whatever name known, in which a person places a wager on the outcome
16 of an athletic event, including bookmaking, parlay bets, or sultan sports cards, but not including those
17 activities authorized in chapter 4 of this title and parts 2, 5, and 8 of this chapter.

18 (18) "Keno" means a game of chance in which prizes are awarded using a card with 8 horizontal
19 rows and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized
20 equipment, shall select at random at least 20 numbers out of numbers between 1 and 80, inclusive.

21 (19) "Keno caller" means a person 18 years of age or older who, using authorized equipment,
22 announces the order of the numbers drawn in live keno.

23 (20) "License" means a license for an operator, dealer, card room contractor, manufacturer of
24 devices not legal in Montana, sports tab ~~card manufacturer~~ game seller, manufacturer of electronic live
25 bingo or keno equipment, other manufacturer, distributor, or route operator that is issued to a person by
26 the department.

27 (21) "Licensee" means a person who has received a license from the department.

28 (22) "Live card game" or "card game" means a card game that is played in public between persons
29 on the premises of a licensed gambling operator or in a senior citizen center.

30 (23) "Lottery" means a scheme, by whatever name known, for the disposal or distribution of

1 property among persons who have paid or promised to pay valuable consideration for the chance of
2 obtaining the property or a portion of it or for a share or interest in the property upon an agreement,
3 understanding, or expectation that it is to be distributed or disposed of by lot or chance. The term does not
4 mean lotteries authorized under chapter 7 of this title.

5 (24) "Manufacturer" means a person who assembles from raw materials or subparts a completed
6 piece of equipment or pieces of equipment of any kind to be used as a gambling device and who sells the
7 equipment directly to a licensed distributor, route operator, or operator.

8 (25) "Nonprofit organization" means a nonprofit corporation or nonprofit charitable, religious,
9 scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organization
10 established for purposes other than to conduct a gambling activity.

11 (26) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and
12 operates or controls for use in public, a gambling device or gambling enterprise authorized under parts 1
13 through 8 of this chapter.

14 (27) "Permit" means approval from the department to make available for public play a gambling
15 device or gambling enterprise approved by the department pursuant to parts 1 through 8 of this chapter.

16 (28) "Person" or "persons" means both natural and artificial persons and all partnerships,
17 corporations, associations, clubs, fraternal orders, and societies, including religious and charitable
18 organizations.

19 (29) "Premises" means the physical building or property within or upon which a licensed gambling
20 activity occurs, as stated on an operator's license application and approved by the department.

21 (30) "Promotional game of chance" means a scheme, by whatever name known, for the disposal
22 or distribution of property among persons who have not paid or are not expected to pay any valuable
23 consideration or who have not purchased or are not expected to purchase any goods or services for a
24 chance to obtain the property, a portion of it, or a share in it. The property is disposed of or distributed by
25 simulating a gambling enterprise authorized by parts 1 through 8 of this chapter or by operating a device
26 or enterprise approved by the department that was manufactured or intended for use for purposes other
27 than gambling.

28 (31) "Public gambling" means gambling conducted in:

29 (a) a place, building, or conveyance to which the public has access or may be permitted to have
30 access;

1 (b) a place of public resort, including but not limited to a facility owned, managed, or operated by
2 a partnership, corporation, association, club, fraternal order, or society, including a religious or charitable
3 organization; or

4 (c) a place, building, or conveyance to which the public does not have access if players are publicly
5 solicited or the gambling activity is conducted in a predominantly commercial manner.

6 (32) "Raffle" means a form of lottery in which each participant pays valuable consideration for a
7 ticket to become eligible to win a prize. Winners must be determined by a random selection process
8 approved by department rule.

9 (33) "Route operator" means a person who:

10 (a) purchases from a licensed manufacturer, route operator, or distributor equipment of any kind
11 for use in a gambling activity;

12 (b) leases the equipment to a licensed operator for use by the public; and

13 (c) may sell to a licensed operator equipment that had previously been authorized to be operated
14 on a premises.

15 (34) "Senior citizen center" means a facility operated by a nonprofit or governmental organization
16 that provides services to senior citizens in the form of daytime or evening educational or recreational
17 activities and does not provide living accommodations to senior citizens. Services qualifying under this
18 definition must be recognized in the state plan on aging adopted by the department of public health and
19 human services.

20 (35) "Slot machine" means a mechanical, electrical, electronic, or other gambling device,
21 contrivance, or machine that, upon insertion of a coin, currency, token, credit card, or similar object or
22 upon payment of any valuable consideration, is available to play or operate, the play or operation of which,
23 whether by reason of the skill of the operator or application of the element of chance, or both, may deliver
24 or entitle the person playing or operating the gambling device to receive cash, premiums, merchandise,
25 tokens, or anything of value, whether the payoff is made automatically from the machine or in any other
26 manner. This definition does not apply to video gambling machines authorized under part 6 of this chapter.

27 (36) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter
28 and the rules of the department."
29

30 **NEW SECTION. Section 2. Sports tab game seller's license -- fees.** (1) A person licensed as a

1 manufacturer may apply for a sports tab game seller’s license. It is a misdemeanor for a person to sell
2 sports tab games to licensed operators without first obtaining a sports tab game seller’s license from the
3 department.

4 (2) The department shall charge an annual license fee of \$100 for issuing or renewing a license.

5 (3) A license expires on June 30 of each year, and the license fee may not be prorated.

6 (4) The department may charge an additional, one-time license application processing fee to cover
7 the actual cost of processing the original license. The department shall refund any amount of the application
8 processing fee not needed to reimburse the department for actual costs or shall collect an amount sufficient
9 to reimburse the department for actual costs not completely covered by the initial fee charged.

10 (5) The department shall retain for administrative purposes the license and application processing
11 fees collected under this section.

12

13 **Section 3.** Section 23-5-502, MCA, is amended to read:

14 **"23-5-502. Sports pools and sports tab games authorized -- tax.** (1) Conducting or participating
15 in sports pools and sports tab games as defined and governed in this part is lawful, except that:

16 (a) sports tab games may only be conducted on premises licensed to sell alcoholic beverages for
17 consumption on the premises; and

18 (b) only a licensee of premises that are located in an incorporated city or town with a population
19 of less than 100 or located outside the boundaries of an incorporated city or town and that are licensed
20 to sell alcoholic beverages for consumption on the premises may conduct a race between animals and
21 conduct one or more sports pools on the race. The race may be conducted only if it is between pigs,
22 gerbils, or hamsters and is conducted on the premises but outside of interior areas of the establishment
23 where food and beverages are usually stored, prepared, or served.

24 (2) A ~~manufacturer~~ sports tab game seller licensed under ~~23-5-115~~ [section 2] who sells sports
25 tabs to a licensed operator for use in a sports tab game shall collect from the operator, at the time of sale,
26 a tax of \$1 for each 100 sports tabs sold and, within 15 days after the end of each calendar quarter,
27 submit to the department any forms required by the department and the proceeds of the collected tax. The
28 ~~manufacturer~~ sports tab game seller shall keep a record of taxes collected as required by department rule.
29 The records must be made available for inspection by the department upon request of the department. The
30 department shall retain the proceeds of the tax to administer this part."

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0016, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

This bill eliminates the requirement to license a sports tab game/card manufacturer; introduces a license for a sports tab game/card seller; and shifts the burden of tax collection and accounting for sports tab tax sales from the manufacturer to the seller.

ASSUMPTIONS:

1. There will be no more than two seller licenses applied for and issued at \$100 per year.
2. Game play will be no more than the reported annual average play for the fiscal years during which a sports tab manufacturer was licensed for the full year, fiscal 1992 through fiscal 1995.
3. The major Department of Justice expenditures associated with the sports tab game are for the tab card decals and staff time and resources devoted to overseeing the activity. The game has been legally operated in this state for the last five fiscal years and it has been the department's experience that the costs associated with regulating the game will not exceed the revenue it produces.
4. The revenue derived from the tab game under the proposed legislation will include license fees, license investigation fees, and the tax on the game at the rate of \$1 per tab board sold.
5. The current annual license fee assessed against manufacturers is \$1000. However, because the manufacturer licensed from fiscal 1992 through fiscal 1995 did not renew its license in the base year, fiscal 1996, the net impact on revenue will be an annual increase of \$200 in license fees.
6. Investigation fees, which are fees paid for the actual cost of the initial license investigation, will be received in the first year of the biennium. Because the department assumes there will be no other applicants for a seller's license during the 1999 biennium, the investigation fee revenue will be realized in fiscal 1998 but not in fiscal 1999.

| <u>FISCAL IMPACT:</u> | <u>FY98</u> | <u>FY99</u> |
|-----------------------|-------------------|-------------------|
| | <u>Difference</u> | <u>Difference</u> |
| <u>Expenditures:</u> | | |
| Operating Expenses | 4,460 | 3,660 |
| <u>Funding:</u> | | |
| Special Revenue (02) | 4,460 | 3,660 |
| <u>Revenues:</u> | | |
| License Fees | 200 | 200 |
| License Invest. Fees | 800 | 0 |
| Taxes | <u>3,460</u> | <u>3,460</u> |
| Total | 4,460 | 3,660 |
| <u>Net Impact:</u> | 0 | 0 |

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Because the manufacturer previously licensed to manufacture and sell sports tab boards to Montana operators did not renew its license in fiscal 1996 and there does not appear to be any other manufacturer interested in this market, passage of this bill may allow (but is no guarantee) the boards to continue to be legally sold into the state and allow the game to continue to be made available.

TECHNICAL NOTES:

As it is currently written the bill does not allow the state to have any control over the suitability of the manufacturer or quality of the product.

David Lewis 1-7-97
 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Rep. Bob Pavlovich
 ROBERT PAVLOVICH, PRIMARY SPONSOR DATE

Fiscal Note for HB0016, as introduced

HB 16

DEDICATION OF REVENUE:

- a) Are there persons or entities that benefit from this dedicated revenue that do not pay? (Please explain) No. Those who benefit by making the game available at their locations pay the tax. The sellers who also benefit from the purchase and resale of boards to location operators pay a license fee.
- b) What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund? It ensures those benefitting from the game pay for the cost of regulation.
- c) Is the source of revenue relevant to current use of the funds and adequate to fund the program/activity that is intended? Yes X No (if no, explain)
- d) Does the need for this state special revenue provision still exist? Yes X No (Explain) The game still requires regulatory oversight to make certain they are being operated within the parameters set by law, and the tax and fees still need to be collected.
- e) Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please explain) No. While the tax and license fee revenues are to be retained to administer the regulation of gambling, the department must go before the legislature to request and the legislature must appropriate these funds for use by the department.
- f) Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please explain) Yes. Per Mont. Code Ann. §23-5-110(3), "Revenue to fund the expense of administration and control of gambling as regulated by parts 1 through 8 [Sports Tab games are authorized in part 5] of this chapter must be derived solely from fees, taxes, and penalties on gambling activities except the gambling activities of the Montana state lottery and the parimutuel industry."
- g) How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?) The dedication of revenue provides for accounting and auditing efficiencies because the department accounts for and tracks gambling activities by coordinating licensing and tax information. Those licensed by the department as sellers of tab products will be expected to account for and pay a tax on sales. It might be possible to adequately account for the program/activity if it were general funded but would violate the legislative mandate for gambling revenues to pay for administration.

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8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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12 parts 1 through 8 of this chapter:

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14 pursuant to parts 1 through 8 of this chapter.

15 (2) "Application" means a written request for a license or permit issued by the department. The
16 department shall adopt rules describing the forms and information required for issuance of a license.

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18 inspected by the department and that randomly selects the numbers.

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20 columns of 5 squares each, 25 squares in all. The letters B-I-N-G-O must appear above the design, with
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23 drawn using authorized equipment until the game is won by the person or persons who first cover one or
24 more previously designated arrangements of numbers on the bingo card.

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26 announces the order of the numbers drawn in live bingo.

27 (6) "Card game table" or "table" means a live card game table:

28 (a) authorized by permit and made available to the public on the premises of a licensed gambling
29 operator; or

30 (b) operated by a senior citizen center.

1 (7) "Card game tournament" means a gambling activity for which a permit has been issued
2 involving participants who pay valuable consideration for the opportunity to compete against each other
3 in a series of live card games conducted over a designated period of time.

4 (8) "Dealer" means a person with a dealer's license issued under part 3 of this chapter.

5 (9) "Department" means the department of justice.

6 (10) "Distributor" means a person who:

7 (a) purchases or obtains from a licensed manufacturer, distributor, or route operator equipment of
8 any kind for use in gambling activities; and

9 (b) sells the equipment to a licensed distributor, route operator, or operator.

10 (11) "Gambling" or "gambling activity" means risking money, credit, deposit, check, property, or
11 any other thing of value for a gain that is contingent in whole or in part upon lot, chance, or the operation
12 of a gambling device or gambling enterprise. The term does not mean conducting or participating in a
13 promotional game of chance and does not include amusement games regulated by Title 23, chapter 6, part
14 1.

15 (12) "Gambling device" means a mechanical, electromechanical, or electronic device, machine, slot
16 machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling
17 activity.

18 (13) "Gambling enterprise" means an activity, scheme, or agreement or an attempted activity,
19 scheme, or agreement to provide gambling or a gambling device to the public.

20 (14) "Gift enterprise" means a gambling activity in which persons have qualified to obtain property
21 to be awarded by purchasing or agreeing to purchase goods or services. The term does not mean:

22 (a) a cash or merchandise attendance prize or premium that county fair commissioners of
23 agricultural fairs and rodeo associations may give away at public drawings at fairs and rodeos;

24 (b) a promotional game of chance; or

25 (c) an amusement game regulated under chapter 6 of this title.

26 (15) "Gross proceeds" means gross revenue received less prizes paid out.

27 (16) "Illegal gambling device" means a gambling device not specifically authorized by statute or by
28 the rules of the department. The term includes:

29 (a) a ticket or card, by whatever name known, containing concealed numbers or symbols that may
30 match numbers or symbols designated in advance as prize winners, including a pull tab, punchboard, push

1 card, tip board, pickle ticket, break-open, or jar game, except for one used under chapter 7 of this title or
2 under part 5 of this chapter or in a promotional game of chance approved by the department; and

3 (b) an apparatus, implement, or device, by whatever name known, specifically designed to be used
4 in conducting an illegal gambling enterprise, including a faro box, faro layout, roulette wheel, roulette table,
5 or craps table or a slot machine except as provided in 23-5-153.

6 (17) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically
7 authorized by a statute or a rule of the department. The term includes:

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9 may win money or other consideration and that receives money or other consideration lost by the
10 participant and includes the card games of blackjack, twenty-one, jacks or better, baccarat, or chemin de
11 fer;

12 (b) a dice game, by whatever name known, in which a participant wagers on the outcome of the
13 roll of one or more dice, including craps, hazard, or chuck-a-luck, but not including activities authorized by
14 23-5-160; and

15 (c) sports betting, by whatever name known, in which a person places a wager on the outcome
16 of an athletic event, including bookmaking, parlay bets, or sultan sports cards, but not including those
17 activities authorized in chapter 4 of this title and parts 2, 5, and 8 of this chapter.

18 (18) "Keno" means a game of chance in which prizes are awarded using a card with 8 horizontal
19 rows and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized
20 equipment, shall select at random at least 20 numbers out of numbers between 1 and 80, inclusive.

21 (19) "Keno caller" means a person 18 years of age or older who, using authorized equipment,
22 announces the order of the numbers drawn in live keno.

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25 bingo or keno equipment, other manufacturer, distributor, or route operator that is issued to a person by
26 the department.

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29 on the premises of a licensed gambling operator or in a senior citizen center.

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2 obtaining the property or a portion of it or for a share or interest in the property upon an agreement,
3 understanding, or expectation that it is to be distributed or disposed of by lot or chance. The term does not
4 mean lotteries authorized under chapter 7 of this title.

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7 equipment directly to a licensed distributor, route operator, or operator.

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9 scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organization
10 established for purposes other than to conduct a gambling activity.

11 (26) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and
12 operates or controls for use in public, a gambling device or gambling enterprise authorized under parts 1
13 through 8 of this chapter.

14 (27) "Permit" means approval from the department to make available for public play a gambling
15 device or gambling enterprise approved by the department pursuant to parts 1 through 8 of this chapter.

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17 corporations, associations, clubs, fraternal orders, and societies, including religious and charitable
18 organizations.

19 (29) "Premises" means the physical building or property within or upon which a licensed gambling
20 activity occurs, as stated on an operator's license application and approved by the department.

21 (30) "Promotional game of chance" means a scheme, by whatever name known, for the disposal
22 or distribution of property among persons who have not paid or are not expected to pay any valuable
23 consideration or who have not purchased or are not expected to purchase any goods or services for a
24 chance to obtain the property, a portion of it, or a share in it. The property is disposed of or distributed by
25 simulating a gambling enterprise authorized by parts 1 through 8 of this chapter or by operating a device
26 or enterprise approved by the department that was manufactured or intended for use for purposes other
27 than gambling.

28 (31) "Public gambling" means gambling conducted in:

29 (a) a place, building, or conveyance to which the public has access or may be permitted to have
30 access;

1 (b) a place of public resort, including but not limited to a facility owned, managed, or operated by
2 a partnership, corporation, association, club, fraternal order, or society, including a religious or charitable
3 organization; or

4 (c) a place, building, or conveyance to which the public does not have access if players are publicly
5 solicited or the gambling activity is conducted in a predominantly commercial manner.

6 (32) "Raffle" means a form of lottery in which each participant pays valuable consideration for a
7 ticket to become eligible to win a prize. Winners must be determined by a random selection process
8 approved by department rule.

9 (33) "Route operator" means a person who:

10 (a) purchases from a licensed manufacturer, route operator, or distributor equipment of any kind
11 for use in a gambling activity;

12 (b) leases the equipment to a licensed operator for use by the public; and

13 (c) may sell to a licensed operator equipment that had previously been authorized to be operated
14 on a premises.

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17 activities and does not provide living accommodations to senior citizens. Services qualifying under this
18 definition must be recognized in the state plan on aging adopted by the department of public health and
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23 whether by reason of the skill of the operator or application of the element of chance, or both, may deliver
24 or entitle the person playing or operating the gambling device to receive cash, premiums, merchandise,
25 tokens, or anything of value, whether the payoff is made automatically from the machine or in any other
26 manner. This definition does not apply to video gambling machines authorized under part 6 of this chapter.

27 (36) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter
28 and the rules of the department."
29

30 **NEW SECTION. Section 2. Sports tab game seller's license -- fees. (1) ~~A person licensed as a~~**

1 ~~manufacturer may apply for a sports tab game seller's license.~~ It is a misdemeanor for a person to sell
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4 (2) The department shall charge an annual license fee of \$100 for issuing or renewing a license.

5 (3) A license expires on June 30 of each year, and the license fee may not be prorated.

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 9 to reimburse the department for actual costs not completely covered by the initial fee charged.

10 (5) The department shall retain for administrative purposes the license and application processing
 11 fees collected under this section.

12

13 **Section 3.** Section 23-5-502, MCA, is amended to read:

14 **"23-5-502. Sports pools and sports tab games authorized -- tax.** (1) Conducting or participating
 15 in sports pools and sports tab games as defined and governed in this part is lawful, except that:

16 (a) sports tab games may only be conducted on premises licensed to sell alcoholic beverages for
 17 consumption on the premises; and

18 (b) only a licensee of premises that are located in an incorporated city or town with a population
 19 of less than 100 or located outside the boundaries of an incorporated city or town and that are licensed
 20 to sell alcoholic beverages for consumption on the premises may conduct a race between animals and
 21 conduct one or more sports pools on the race. The race may be conducted only if it is between pigs,
 22 gerbils, or hamsters and is conducted on the premises but outside of interior areas of the establishment
 23 where food and beverages are usually stored, prepared, or served.

24 (2) A ~~manufacturer~~ sports tab game seller licensed under ~~23-5-115~~ [section 2] who sells sports
 25 tabs to a ~~licensed operator~~ for use in a sports tab game shall collect from the operator, at the time of sale,
 26 a tax of \$1 for each 100 sports tabs sold and, within 15 days after the end of each calendar quarter,
 27 submit to the department any forms required by the department and the proceeds of the collected tax. The
 28 ~~manufacturer~~ sports tab game seller shall keep a record of taxes collected as required by department rule.
 29 The records must be made available for inspection by the department upon request of the department. The
 30 department shall retain the proceeds of the tax to administer this part."

1 **Section 4.** Section 23-5-503, MCA, is amended to read:

2 "**23-5-503. Rules.** (1) The card or other device used for recording the sports pool or sports tab
3 game must clearly indicate in advance of the sale of any chances the number of chances to be sold in that
4 specific pool, the name of the event or series of events, the consideration to be paid for each chance, and
5 the total amount or percentage to be paid to the winners. The sports tabs must be purchased from a
6 ~~manufacturer~~ sports tab game seller licensed under ~~23-5-116~~ [section 2].

7 (2) Each sports tab or chance to participate in a sports pool must be sold for the same amount,
8 which may not exceed \$5, and the total amount paid to all winners of any individual sports pool or sports
9 tab game may not exceed the value of \$500. Chances for a series of events may be purchased all at once
10 prior to the occurrence of the first event.

11 (3) (a) Except as provided in subsection (3)(b), the winners of any sports pool ~~shall~~ must receive
12 a 100% payout of the value of the sports pool. The winner of a sports tab game must receive at least 90%
13 of the total cost of the 100 sports tabs. The operator of the sports tab game may retain the remaining
14 money for administration and other expenses.

15 (b) A nonprofit organization that maintains records and opens the records to inspection upon
16 reasonable demand to verify that the retained portion is used to support charitable activities, scholarships
17 or educational grants, or community service projects may retain up to 50% of the value of a sports pool
18 or sports tab game.

19 (4) A person or nonprofit organization conducting a sports pool or sports tab game may purchase
20 chances or sports tabs to participate in the sports pool or sports tab game but may not:

21 (a) retain any portion of the amount wagered in the sports pool or sports tab game, except as
22 provided in subsection (3)(b);

23 (b) charge a fee for participating in the sports pool or sports tab game; or

24 (c) use the sports pool or sports tab game in any manner to establish odds or handicaps or to allow
25 betting or booking against the person or nonprofit organization conducting the pool or game."

26

27 **NEW SECTION.** **Section 5. Codification instruction.** [Section 2] is intended to be codified as an
28 integral part of Title 23, chapter 5, part 5, and the provisions of Title 23, chapter 5, apply to [section 2].

29

-END-

1 HOUSE BILL NO. 16

2 INTRODUCED BY PAVLOVICH

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LICENSURE OF A PERSON SELLING SPORTS TAB
5 ~~GAMES TO LICENSED OPERATORS~~; AND AMENDING SECTIONS 23-5-112, 23-5-502, AND 23-5-503,
6 MCA."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 **Section 1.** Section 23-5-112, MCA, is amended to read:

11 **"23-5-112. Definitions.** Unless the context requires otherwise, the following definitions apply to
12 parts 1 through 8 of this chapter:

13 (1) "Applicant" means a person who has applied for a license or permit issued by the department
14 pursuant to parts 1 through 8 of this chapter.

15 (2) "Application" means a written request for a license or permit issued by the department. The
16 department shall adopt rules describing the forms and information required for issuance of a license.

17 (3) "Authorized equipment" means, with respect to live keno or bingo, equipment that may be
18 inspected by the department and that randomly selects the numbers.

19 (4) "Bingo" means a gambling activity played for prizes with a card bearing a printed design of 5
20 columns of 5 squares each, 25 squares in all. The letters B-I-N-G-O must appear above the design, with
21 each letter above one of the columns. More than 75 numbers may not be used. One number must appear
22 in each square, except for the center square, which may be considered a free play. Numbers are randomly
23 drawn using authorized equipment until the game is won by the person or persons who first cover one or
24 more previously designated arrangements of numbers on the bingo card.

25 (5) "Bingo caller" means a person 18 years of age or older who, using authorized equipment,
26 announces the order of the numbers drawn in live bingo.

27 (6) "Card game table" or "table" means a live card game table:

28 (a) authorized by permit and made available to the public on the premises of a licensed gambling
29 operator; or

30 (b) operated by a senior citizen center.

1 (7) "Card game tournament" means a gambling activity for which a permit has been issued
2 involving participants who pay valuable consideration for the opportunity to compete against each other
3 in a series of live card games conducted over a designated period of time.

4 (8) "Dealer" means a person with a dealer's license issued under part 3 of this chapter.

5 (9) "Department" means the department of justice.

6 (10) "Distributor" means a person who:

7 (a) purchases or obtains from a licensed manufacturer, distributor, or route operator equipment of
8 any kind for use in gambling activities; and

9 (b) sells the equipment to a licensed distributor, route operator, or operator.

10 (11) "Gambling" or "gambling activity" means risking money, credit, deposit, check, property, or
11 any other thing of value for a gain that is contingent in whole or in part upon lot, chance, or the operation
12 of a gambling device or gambling enterprise. The term does not mean conducting or participating in a
13 promotional game of chance and does not include amusement games regulated by Title 23, chapter 6, part
14 1.

15 (12) "Gambling device" means a mechanical, electromechanical, or electronic device, machine, slot
16 machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling
17 activity.

18 (13) "Gambling enterprise" means an activity, scheme, or agreement or an attempted activity,
19 scheme, or agreement to provide gambling or a gambling device to the public.

20 (14) "Gift enterprise" means a gambling activity in which persons have qualified to obtain property
21 to be awarded by purchasing or agreeing to purchase goods or services. The term does not mean:

22 (a) a cash or merchandise attendance prize or premium that county fair commissioners of
23 agricultural fairs and rodeo associations may give away at public drawings at fairs and rodeos;

24 (b) a promotional game of chance; or

25 (c) an amusement game regulated under chapter 6 of this title.

26 (15) "Gross proceeds" means gross revenue received less prizes paid out.

27 (16) "Illegal gambling device" means a gambling device not specifically authorized by statute or by
28 the rules of the department. The term includes:

29 (a) a ticket or card, by whatever name known, containing concealed numbers or symbols that may
30 match numbers or symbols designated in advance as prize winners, including a pull tab, punchboard, push

1 property among persons who have paid or promised to pay valuable consideration for the chance of
2 obtaining the property or a portion of it or for a share or interest in the property upon an agreement,
3 understanding, or expectation that it is to be distributed or disposed of by lot or chance. The term does not
4 mean lotteries authorized under chapter 7 of this title.

5 (24) "Manufacturer" means a person who assembles from raw materials or subparts a completed
6 piece of equipment or pieces of equipment of any kind to be used as a gambling device and who sells the
7 equipment directly to a licensed distributor, route operator, or operator.

8 (25) "Nonprofit organization" means a nonprofit corporation or nonprofit charitable, religious,
9 scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organization
10 established for purposes other than to conduct a gambling activity.

11 (26) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and
12 operates or controls for use in public, a gambling device or gambling enterprise authorized under parts 1
13 through 8 of this chapter.

14 (27) "Permit" means approval from the department to make available for public play a gambling
15 device or gambling enterprise approved by the department pursuant to parts 1 through 8 of this chapter.

16 (28) "Person" or "persons" means both natural and artificial persons and all partnerships,
17 corporations, associations, clubs, fraternal orders, and societies, including religious and charitable
18 organizations.

19 (29) "Premises" means the physical building or property within or upon which a licensed gambling
20 activity occurs, as stated on an operator's license application and approved by the department.

21 (30) "Promotional game of chance" means a scheme, by whatever name known, for the disposal
22 or distribution of property among persons who have not paid or are not expected to pay any valuable
23 consideration or who have not purchased or are not expected to purchase any goods or services for a
24 chance to obtain the property, a portion of it, or a share in it. The property is disposed of or distributed by
25 simulating a gambling enterprise authorized by parts 1 through 8 of this chapter or by operating a device
26 or enterprise approved by the department that was manufactured or intended for use for purposes other
27 than gambling.

28 (31) "Public gambling" means gambling conducted in:

29 (a) a place, building, or conveyance to which the public has access or may be permitted to have
30 access;

1 card, tip board, pickle ticket, break-open, or jar game, except for one used under chapter 7 of this title or
2 under part 5 of this chapter or in a promotional game of chance approved by the department; and

3 (b) an apparatus, implement, or device, by whatever name known, specifically designed to be used
4 in conducting an illegal gambling enterprise, including a faro box, faro layout, roulette wheel, roulette table,
5 or craps table or a slot machine except as provided in 23-5-153.

6 (17) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically
7 authorized by a statute or a rule of the department. The term includes:

8 (a) a card game, by whatever name known, involving any bank or fund from which a participant
9 may win money or other consideration and that receives money or other consideration lost by the
10 participant and includes the card games of blackjack, twenty-one, jacks or better, baccarat, or chemin de
11 fer;

12 (b) a dice game, by whatever name known, in which a participant wagers on the outcome of the
13 roll of one or more dice, including craps, hazard, or chuck-a-luck, but not including activities authorized by
14 23-5-160; and

15 (c) sports betting, by whatever name known, in which a person places a wager on the outcome
16 of an athletic event, including bookmaking, parlay bets, or sultan sports cards, but not including those
17 activities authorized in chapter 4 of this title and parts 2, 5, and 8 of this chapter.

18 (18) "Keno" means a game of chance in which prizes are awarded using a card with 8 horizontal
19 rows and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized
20 equipment, shall select at random at least 20 numbers out of numbers between 1 and 80, inclusive.

21 (19) "Keno caller" means a person 18 years of age or older who, using authorized equipment,
22 announces the order of the numbers drawn in live keno.

23 (20) "License" means a license for an operator, dealer, card room contractor, manufacturer of
24 devices not legal in Montana, sports tab ~~card manufacturer~~ game seller, manufacturer of electronic live
25 bingo or keno equipment, other manufacturer, distributor, or route operator that is issued to a person by
26 the department.

27 (21) "Licensee" means a person who has received a license from the department.

28 (22) "Live card game" or "card game" means a card game that is played in public between persons
29 on the premises of a licensed gambling operator or in a senior citizen center.

30 (23) "Lottery" means a scheme, by whatever name known, for the disposal or distribution of

1 (b) a place of public resort, including but not limited to a facility owned, managed, or operated by
2 a partnership, corporation, association, club, fraternal order, or society, including a religious or charitable
3 organization; or

4 (c) a place, building, or conveyance to which the public does not have access if players are publicly
5 solicited or the gambling activity is conducted in a predominantly commercial manner.

6 (32) "Raffle" means a form of lottery in which each participant pays valuable consideration for a
7 ticket to become eligible to win a prize. Winners must be determined by a random selection process
8 approved by department rule.

9 (33) "Route operator" means a person who:

10 (a) purchases from a licensed manufacturer, route operator, or distributor equipment of any kind
11 for use in a gambling activity;

12 (b) leases the equipment to a licensed operator for use by the public; and

13 (c) may sell to a licensed operator equipment that had previously been authorized to be operated
14 on a premises.

15 (34) "Senior citizen center" means a facility operated by a nonprofit or governmental organization
16 that provides services to senior citizens in the form of daytime or evening educational or recreational
17 activities and does not provide living accommodations to senior citizens. Services qualifying under this
18 definition must be recognized in the state plan on aging adopted by the department of public health and
19 human services.

20 (35) "Slot machine" means a mechanical, electrical, electronic, or other gambling device,
21 contrivance, or machine that, upon insertion of a coin, currency, token, credit card, or similar object or
22 upon payment of any valuable consideration, is available to play or operate, the play or operation of which,
23 whether by reason of the skill of the operator or application of the element of chance, or both, may deliver
24 or entitle the person playing or operating the gambling device to receive cash, premiums, merchandise,
25 tokens, or anything of value, whether the payoff is made automatically from the machine or in any other
26 manner. This definition does not apply to video gambling machines authorized under part 6 of this chapter.

27 (36) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter
28 and the rules of the department."
29

30 NEW SECTION. **Section 2. Sports tab game seller's license -- fees.** (1) ~~A person licensed as a~~

1 ~~manufacturer may apply for a sports tab game seller's license.~~ It is a misdemeanor for a person to sell
 2 sports tab games ~~to licensed operators~~ without first obtaining a sports tab game seller's license from the
 3 department.

4 (2) The department shall charge an annual license fee of \$100 for issuing or renewing a license.

5 (3) A license expires on June 30 of each year, and the license fee may not be prorated.

6 (4) The department may charge an additional, one-time license application processing fee to cover
 7 the actual cost of processing the original license. The department shall refund any amount of the application
 8 processing fee not needed to reimburse the department for actual costs or shall collect an amount sufficient
 9 to reimburse the department for actual costs not completely covered by the initial fee charged.

10 (5) The department shall retain for administrative purposes the license and application processing
 11 fees collected under this section.

12

13 **Section 3.** Section 23-5-502, MCA, is amended to read:

14 **"23-5-502. Sports pools and sports tab games authorized -- tax.** (1) Conducting or participating
 15 in sports pools and sports tab games as defined and governed in this part is lawful, except that:

16 (a) sports tab games may only be conducted on premises licensed to sell alcoholic beverages for
 17 consumption on the premises; and

18 (b) only a licensee of premises that are located in an incorporated city or town with a population
 19 of less than 100 or located outside the boundaries of an incorporated city or town and that are licensed
 20 to sell alcoholic beverages for consumption on the premises may conduct a race between animals and
 21 conduct one or more sports pools on the race. The race may be conducted only if it is between pigs,
 22 gerbils, or hamsters and is conducted on the premises but outside of interior areas of the establishment
 23 where food and beverages are usually stored, prepared, or served.

24 (2) A ~~manufacturer~~ sports tab game seller licensed under ~~23-5-115~~ [section 2] who sells sports
 25 tabs ~~to a licensed operator~~ for use in a sports tab game shall collect from the ~~operator~~ PURCHASER, at the
 26 time of sale, a tax of \$1 for each 100 sports tabs sold and, within 15 days after the end of each calendar
 27 quarter, submit to the department any forms required by the department and the proceeds of the collected
 28 tax. The ~~manufacturer~~ sports tab game seller shall keep a record of taxes collected as required by
 29 department rule. The records must be made available for inspection by the department upon request of the
 30 department. The department shall retain the proceeds of the tax to administer this part."

1 HOUSE BILL NO. 16

2 INTRODUCED BY PAVLOVICH

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LICENSURE OF A PERSON SELLING SPORTS TAB
5 GAMES TO ~~LICENSED OPERATORS~~; AND AMENDING SECTIONS 23-5-112, 23-5-502, AND 23-5-503,
6 MCA."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 Section 1. Section 23-5-112, MCA, is amended to read:

11 "23-5-112. **Definitions.** Unless the context requires otherwise, the following definitions apply to
12 parts 1 through 8 of this chapter:

13 (1) "Applicant" means a person who has applied for a license or permit issued by the department
14 pursuant to parts 1 through 8 of this chapter.

15 (2) "Application" means a written request for a license or permit issued by the department. The
16 department shall adopt rules describing the forms and information required for issuance of a license.

17 (3) "Authorized equipment" means, with respect to live keno or bingo, equipment that may be
18 inspected by the department and that randomly selects the numbers.

19 (4) "Bingo" means a gambling activity played for prizes with a card bearing a printed design of 5
20 columns of 5 squares each, 25 squares in all. The letters B-I-N-G-O must appear above the design, with
21 each letter above one of the columns. More than 75 numbers may not be used. One number must appear
22 in each square, except for the center square, which may be considered a free play. Numbers are randomly
23 drawn using authorized equipment until the game is won by the person or persons who first cover one or
24 more previously designated arrangements of numbers on the bingo card.

25 (5) "Bingo caller" means a person 18 years of age or older who, using authorized equipment,
26 announces the order of the numbers drawn in live bingo.

27 (6) "Card game table" or "table" means a live card game table:

28 (a) authorized by permit and made available to the public on the premises of a licensed gambling
29 operator; or

30 (b) operated by a senior citizen center.

1 (7) "Card game tournament" means a gambling activity for which a permit has been issued
2 involving participants who pay valuable consideration for the opportunity to compete against each other
3 in a series of live card games conducted over a designated period of time.

4 (8) "Dealer" means a person with a dealer's license issued under part 3 of this chapter.

5 (9) "Department" means the department of justice.

6 (10) "Distributor" means a person who:

7 (a) purchases or obtains from a licensed manufacturer, distributor, or route operator equipment of
8 any kind for use in gambling activities; and

9 (b) sells the equipment to a licensed distributor, route operator, or operator.

10 (11) "Gambling" or "gambling activity" means risking money, credit, deposit, check, property, or
11 any other thing of value for a gain that is contingent in whole or in part upon lot, chance, or the operation
12 of a gambling device or gambling enterprise. The term does not mean conducting or participating in a
13 promotional game of chance and does not include amusement games regulated by Title 23, chapter 6, part
14 1.

15 (12) "Gambling device" means a mechanical, electromechanical, or electronic device, machine, slot
16 machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling
17 activity.

18 (13) "Gambling enterprise" means an activity, scheme, or agreement or an attempted activity,
19 scheme, or agreement to provide gambling or a gambling device to the public.

20 (14) "Gift enterprise" means a gambling activity in which persons have qualified to obtain property
21 to be awarded by purchasing or agreeing to purchase goods or services. The term does not mean:

22 (a) a cash or merchandise attendance prize or premium that county fair commissioners of
23 agricultural fairs and rodeo associations may give away at public drawings at fairs and rodeos;

24 (b) a promotional game of chance; or

25 (c) an amusement game regulated under chapter 6 of this title.

26 (15) "Gross proceeds" means gross revenue received less prizes paid out.

27 (16) "Illegal gambling device" means a gambling device not specifically authorized by statute or by
28 the rules of the department. The term includes:

29 (a) a ticket or card, by whatever name known, containing concealed numbers or symbols that may
30 match numbers or symbols designated in advance as prize winners, including a pull tab, punchboard, push

1 card, tip board, pickle ticket, break-open, or jar game, except for one used under chapter 7 of this title or
2 under part 5 of this chapter or in a promotional game of chance approved by the department; and

3 (b) an apparatus, implement, or device, by whatever name known, specifically designed to be used
4 in conducting an illegal gambling enterprise, including a faro box, faro layout, roulette wheel, roulette table,
5 or craps table or a slot machine except as provided in 23-5-153.

6 (17) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically
7 authorized by a statute or a rule of the department. The term includes:

8 (a) a card game, by whatever name known, involving any bank or fund from which a participant
9 may win money or other consideration and that receives money or other consideration lost by the
10 participant and includes the card games of blackjack, twenty-one, jacks or better, baccarat, or chemin de
11 fer;

12 (b) a dice game, by whatever name known, in which a participant wagers on the outcome of the
13 roll of one or more dice, including craps, hazard, or chuck-a-luck, but not including activities authorized by
14 23-5-160; and

15 (c) sports betting, by whatever name known, in which a person places a wager on the outcome
16 of an athletic event, including bookmaking, parlay bets, or sultan sports cards, but not including those
17 activities authorized in chapter 4 of this title and parts 2, 5, and 8 of this chapter.

18 (18) "Keno" means a game of chance in which prizes are awarded using a card with 8 horizontal
19 rows and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized
20 equipment, shall select at random at least 20 numbers out of numbers between 1 and 80, inclusive.

21 (19) "Keno caller" means a person 18 years of age or older who, using authorized equipment,
22 announces the order of the numbers drawn in live keno.

23 (20) "License" means a license for an operator, dealer, card room contractor, manufacturer of
24 devices not legal in Montana, sports tab ~~card manufacturer~~ game seller, manufacturer of electronic live
25 bingo or keno equipment, other manufacturer, distributor, or route operator that is issued to a person by
26 the department.

27 (21) "Licensee" means a person who has received a license from the department.

28 (22) "Live card game" or "card game" means a card game that is played in public between persons
29 on the premises of a licensed gambling operator or in a senior citizen center.

30 (23) "Lottery" means a scheme, by whatever name known, for the disposal or distribution of

1 property among persons who have paid or promised to pay valuable consideration for the chance of
2 obtaining the property or a portion of it or for a share or interest in the property upon an agreement,
3 understanding, or expectation that it is to be distributed or disposed of by lot or chance. The term does not
4 mean lotteries authorized under chapter 7 of this title.

5 (24) "Manufacturer" means a person who assembles from raw materials or subparts a completed
6 piece of equipment or pieces of equipment of any kind to be used as a gambling device and who sells the
7 equipment directly to a licensed distributor, route operator, or operator.

8 (25) "Nonprofit organization" means a nonprofit corporation or nonprofit charitable, religious,
9 scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organization
10 established for purposes other than to conduct a gambling activity.

11 (26) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and
12 operates or controls for use in public, a gambling device or gambling enterprise authorized under parts 1
13 through 8 of this chapter.

14 (27) "Permit" means approval from the department to make available for public play a gambling
15 device or gambling enterprise approved by the department pursuant to parts 1 through 8 of this chapter.

16 (28) "Person" or "persons" means both natural and artificial persons and all partnerships,
17 corporations, associations, clubs, fraternal orders, and societies, including religious and charitable
18 organizations.

19 (29) "Premises" means the physical building or property within or upon which a licensed gambling
20 activity occurs, as stated on an operator's license application and approved by the department.

21 (30) "Promotional game of chance" means a scheme, by whatever name known, for the disposal
22 or distribution of property among persons who have not paid or are not expected to pay any valuable
23 consideration or who have not purchased or are not expected to purchase any goods or services for a
24 chance to obtain the property, a portion of it, or a share in it. The property is disposed of or distributed by
25 simulating a gambling enterprise authorized by parts 1 through 8 of this chapter or by operating a device
26 or enterprise approved by the department that was manufactured or intended for use for purposes other
27 than gambling.

28 (31) "Public gambling" means gambling conducted in:

29 (a) a place, building, or conveyance to which the public has access or may be permitted to have
30 access;

1 (b) a place of public resort, including but not limited to a facility owned, managed, or operated by
 2 a partnership, corporation, association, club, fraternal order, or society, including a religious or charitable
 3 organization; or

4 (c) a place, building, or conveyance to which the public does not have access if players are publicly
 5 solicited or the gambling activity is conducted in a predominantly commercial manner.

6 (32) "Raffle" means a form of lottery in which each participant pays valuable consideration for a
 7 ticket to become eligible to win a prize. Winners must be determined by a random selection process
 8 approved by department rule.

9 (33) "Route operator" means a person who:

10 (a) purchases from a licensed manufacturer, route operator, or distributor equipment of any kind
 11 for use in a gambling activity;

12 (b) leases the equipment to a licensed operator for use by the public; and

13 (c) may sell to a licensed operator equipment that had previously been authorized to be operated
 14 on a premises.

15 (34) "Senior citizen center" means a facility operated by a nonprofit or governmental organization
 16 that provides services to senior citizens in the form of daytime or evening educational or recreational
 17 activities and does not provide living accommodations to senior citizens. Services qualifying under this
 18 definition must be recognized in the state plan on aging adopted by the department of public health and
 19 human services.

20 (35) "Slot machine" means a mechanical, electrical, electronic, or other gambling device,
 21 contrivance, or machine that, upon insertion of a coin, currency, token, credit card, or similar object or
 22 upon payment of any valuable consideration, is available to play or operate, the play or operation of which,
 23 whether by reason of the skill of the operator or application of the element of chance, or both, may deliver
 24 or entitle the person playing or operating the gambling device to receive cash, premiums, merchandise,
 25 tokens, or anything of value, whether the payoff is made automatically from the machine or in any other
 26 manner. This definition does not apply to video gambling machines authorized under part 6 of this chapter.

27 (36) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter
 28 and the rules of the department."
 29

30 **NEW SECTION. Section 2. Sports tab game seller's license -- fees. (1) ~~A person licensed as a~~**

1 ~~manufacturer may apply for a sports tab game seller's license.~~ It is a misdemeanor for a person to sell
 2 sports tab games ~~to licensed operators~~ without first obtaining a sports tab game seller's license from the
 3 department.

4 (2) The department shall charge an annual license fee of \$100 for issuing or renewing a license.

5 (3) A license expires on June 30 of each year, and the license fee may not be prorated.

6 (4) The department may charge an additional, one-time license application processing fee to cover
 7 the actual cost of processing the original license. The department shall refund any amount of the application
 8 processing fee not needed to reimburse the department for actual costs or shall collect an amount sufficient
 9 to reimburse the department for actual costs not completely covered by the initial fee charged.

10 (5) The department shall retain for administrative purposes the license and application processing
 11 fees collected under this section.

12

13 **Section 3. Section 23-5-502, MCA, is amended to read:**

14 **"23-5-502. Sports pools and sports tab games authorized -- tax.** (1) Conducting or participating
 15 in sports pools and sports tab games as defined and governed in this part is lawful, except that:

16 (a) sports tab games may only be conducted on premises licensed to sell alcoholic beverages for
 17 consumption on the premises; and

18 (b) only a licensee of premises that are located in an incorporated city or town with a population
 19 of less than 100 or located outside the boundaries of an incorporated city or town and that are licensed
 20 to sell alcoholic beverages for consumption on the premises may conduct a race between animals and
 21 conduct one or more sports pools on the race. The race may be conducted only if it is between pigs,
 22 gerbils, or hamsters and is conducted on the premises but outside of interior areas of the establishment
 23 where food and beverages are usually stored, prepared, or served.

24 (2) A ~~manufacturer~~ sports tab game seller licensed under ~~23-5-115~~ [section 2] who sells sports
 25 tabs ~~to a licensed operator~~ for use in a sports tab game shall collect from the ~~operator~~ PURCHASER, at the
 26 time of sale, a tax of \$1 for each 100 sports tabs sold and, within 15 days after the end of each calendar
 27 quarter, submit to the department any forms required by the department and the proceeds of the collected
 28 tax. The ~~manufacturer~~ sports tab game seller shall keep a record of taxes collected as required by
 29 department rule. The records must be made available for inspection by the department upon request of the
 30 department. The department shall retain the proceeds of the tax to administer this part."

